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Consumer Engagement & Loyalty

Must-Dos for Re-Emergence

INDUSTRY-SPECIFIC STRATEGIES

CPG

RETAIL

GROCERY

QSR

REGULATED

Consumer Behavior Re-Emergence Trends



Merkle Promotion & Loyalty Solutions strategists are experts in guiding brands on how to motivate consumer behavior based on studying consumer trends. Here's what you need to know now with recommended engagement levers to pull in the next six months.

CONSUMERS HAVE SPOKEN

By now, we've adjusted to our current reality. But what's going to happen as we start inching back toward normal? We dug deep into customer behavior re-emergence trends to provide insight into long-term impacts and what to do about them.

CONSUMER ACTIVATION MUST-DOS

#1

**Identify
& Activate**

#2

**Educate
& Engage**

#3

**Reward
& Retain**

The next six months are a crucial time to remind consumers why they should choose your brand—so understanding how to engage with them is critical. We've identified three quick, research-backed strategies to prioritize right now and help ensure you stay connected with your customers through what's coming next.

People worldwide are interested in hearing from brands and participating in promotions.

Brands running promotions **80%**

Getting emails about COVID response **76%**

Brands sharing practical tips **73%**

Brands sharing entertaining content **66%**

Brands sharing how they are helping **64%**

Brands advertising normally **49%**

Source: Global Web Index (GWI)
Coronavirus Research Wave 3, April 2020

RESEARCH SHOWS THAT THESE BEHAVIORS WILL STICK

With our interpretation of consumer feedback and industry research, marketers get the best view into maximizing engagement and loyalty impact by meeting consumers where they are as we're all starting to re-emerge from COVID-19.

Spending Behaviors

Pandemic spending is focused on wellness, home, delivery service, and the like—needs, not wants.

- Wellness spending
- Entertainment spending
- Frugality

While some consumers won't change their spending habits, many have begun to shift behaviors due to financial strain and convenience factors.

31% will not alter spending habits post-pandemic.

1 in 3 will be looking for everyday savings as they experience continued financial strain.

25% plan on sticking with digital shopping, while increasing spending on areas important to them.

Source: [EY Future Consumer Index](#) (April 2020)

Local Behaviors

Home is a safe place, and people are relying on (and celebrating) local resources to help them through.

- Prioritizing local businesses
- Travel closer to home
- Caring for neighbors

Consumers say a business being local/independent will influence buying behavior post-pandemic.

28% BABY BOOMERS

23% MILLENNIALS / GEN ZERS

22% GEN XERS

Source: [GWI Global Survey](#) (April 2020)

Health Behaviors

Wellness trends are amplified during the crisis as individuals look to stay mentally and physically healthy.

- Exercise at home
- Mental health
- Increased health purchases

When it comes to in-store health and cleanliness, customers want to see three main actions from the businesses they patronize:

57% requiring every customer in-store to wear a face mask

56% limiting the number of customers in the store

55% providing special shopping hours for seniors

Source: [Inspire PR](#) (April 2020)

RE-EMERGENCE MUST-DOS

CPG Industry POV



Identify and Activate

Out of sight, out of mind. The spike in buying has created empty shelves—meaning some consumers are choosing alternative brands out of necessity.

The need to try something new could shift loyalty. Brands must plan to engage and connect with customers in order to retain valuable new customers who may not have specifically chosen their brand and win back those who defected while supplies were unavailable.

KEY STRATEGIES

PROVIDE AN EASY WAY TO ENGAGE

Acquire first party data and capture new consumers with a simple chance-to-win experience that includes additional elements of data collection, such as a quick survey or poll. Tie it together with a guaranteed discount off a future purchase or money back guarantee to create trust and reduce anxiety for new customers.

OPTIMIZE ONBOARDING

Consumers are not always comfortable trying new products, especially when it's due to unavailability of their preferred brand, and often experience a sense of risk and discomfort when doing so. Take the opportunity to highlight your product's value proposition and competitive differentiation. Evaluate current onboarding experiences to keep these "Accidental Switchers" in your consumer segment.

OFFER PRODUCT SUBSCRIPTIONS

The pandemic has magnified consumer fears. Provide some comfort with a subscription, so they can be sure to never run out of your product again. Create a buzzworthy incentive for them to sign up by providing entry into a chance-to-win a month's, year's, or lifetime supply.

Benchmarks

Chances-to-win offer a way to collect key marketing data and learn more about consumers.

20-35%
registration
conversion rate

35-55%
opt-in rate

Welcome

Registration

MM ▾
MM ▾
YYYY ▾

Educate and Engage

"Emotional buying" is on the rise. Because food supply production has come under scrutiny and processing plants shut down due to outbreaks, consumers are showing great preference for shops, restaurants, and brands that feel local (EY, April 2020). Disrupted supply chains are also causing people to seek resources locally, especially food. Brands will need to be able to show consumers how their production and process is a safe and ethical choice.

KEY STRATEGIES

EMPHASIZE YOUR EVOLUTION

When consumers experience change, they crave knowledge and information. In today's climate, it's more important than ever to communicate how your brand is leaning into the areas that matter most to your customers. Find ways to highlight the efforts your brand is taking in order to reassure existing customers and onboard new ones.

GIVE THEM A PLACE TO ENGAGE

Instead of relying on email or social media to communicate your efforts, consider creating an immersive hub experience that uses a suite of proven game mechanics to drive engagement with your customers and rewards them for spending time with your brand.

MAKE IT FUN

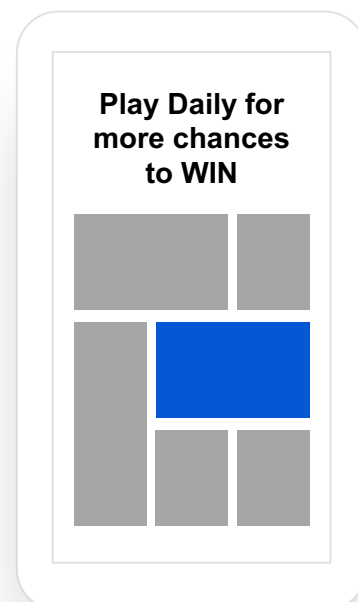
Consider layering in content-delivery experiences like trivia games, or continuity drivers like visit or purchase-based collect and win games, to drive multiple business objectives while providing a reason for your customers to connect.

Benchmarks

Engagement hubs drive repeat visits and increase time spent with your brand.

12 mins
time spent

5-10
avg. logins
per registrant



Reward and Retain

Store trips have changed as consumers navigate shopping in different ways. In the store, consumers try to get in and out quickly, shop with pre-defined traffic patterns, and keep distance in crowded aisles. Others order online and opt for pick-up or delivery. In either case, there's little room for browsing. Without that discovery opportunity, CPG products may go unnoticed or skipped as impulse purchases become limited opportunities.

KEY STRATEGIES

ENCOURAGE DISCOVERY IN-STORE AND ONLINE

Look for ways to incorporate endcap or freestanding displays into future marketing efforts, as these are not likely to be impacted by changed retail layouts. Shoppers will notice products that may have been overlooked due to traffic patterns or the need to limit time in-store. Provide incentives for consumers to stay loyal and create a reason for them to choose your brand over what pops up in search results first.

OFFER AN IMMEDIATE REWARD

Drive discovery and reward loyalty without adding another discount or coupon. Create a gift with purchase campaign that strengthens your products' value proposition and is designed to keep them within your brand's ecosystem.

PROVIDE TOUCHLESS ENGAGEMENTS

Integrate QR codes or SMS-based entry points into endcaps and in-store displays to enable experiences without requiring consumers to touch public store surfaces or materials.

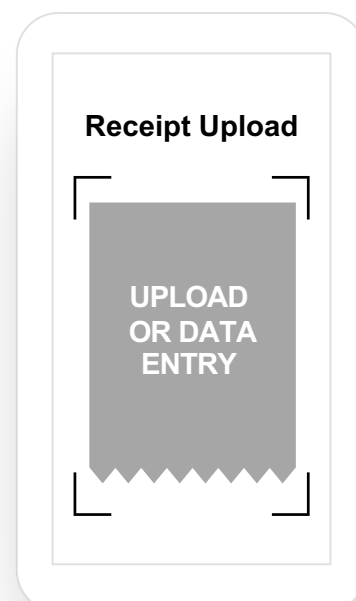
Benchmarks

Rebate/Gift with Purchase programs can increase purchases and dollars spent.

Over the course of three grocery shopper marketing programs, one CPG brand saw:

6,000+
purchases

\$20K+
spent



RE-EMERGENCE MUST-DOS

Retail Industry POV



Identify and Activate

COVID-19 will change lives into the future with continued focus on the home as hub (*Fast Company*). Consumer spending habits and preferences will shift, making it critical to understand who consumers are now and how they want to engage and interact going forward. Place a renewed focus on acquisition and keeping databases up to date with current consumer information, purchase data, and personal preferences to ensure you can meet them where they are.

KEY STRATEGIES

FOCUS ON CONNECTION

Develop an emotional connection with consumers through hashtag-based social promotions that connect your products to how they're adapting to their current normal, whether it's through self-care routines or stay-at-home celebrations. Getting to a personal level with consumers develops an emotional bond and affinity.

REWARD FOR PARTICIPATION

Collect additional profile information via a consumer survey deployed to understand what has changed with your customers and use incentives to simultaneously show gratitude and drive completion rates.

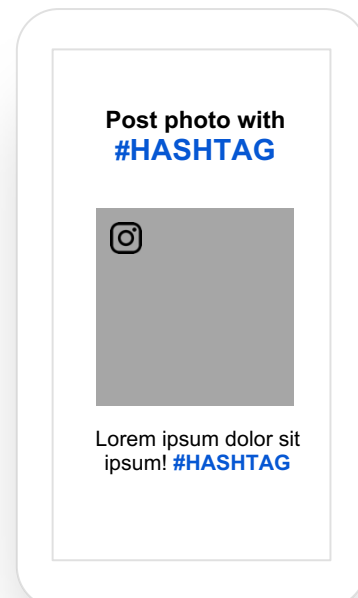
PROVIDE AN EASY WAY TO ENGAGE

Leverage incentivized polls, reviews, quizzes, profile updates, and trivia games to enrich the profiles of existing customers and acquire new ones.

Benchmarks

Hashtag-based campaigns can launch in as little as two weeks and typically result in high participation.

1-3 Posts
per user



Educate and Engage

Many Americans will be reluctant to head to public places, even as authorities allow doors to open once again. Shopping centers and malls are the top places U.S. consumers plan to avoid (Coresight Research), and 31% say they plan to shop online more frequently when the pandemic is over.* When creating your store opening strategy, evaluate store display tactics such as endcaps and free-standing displays, and prioritize cohesive experiences across digital, social, and in-store to optimize impact.

KEY STRATEGIES

GIVE THEM A PLACE TO ENGAGE

Instead of relying on email or social media to communicate your re-opening efforts, consider creating an immersive hub experience that uses a suite of proven game mechanics to drive engagement with your customers and rewards them for spending time with your brand.

EXPLORE AR POSSIBILITIES

Consider layering in an AR element to replicate core elements of the in-store experience, even for those who aren't yet ready to return in person.

PROVIDE TOUCHLESS ENGAGEMENTS

Where you do emphasize endcaps and in-store display, consider Integrating QR-codes or SMS-based entry points to enable experiences without requiring consumers to touch public store surfaces or materials.

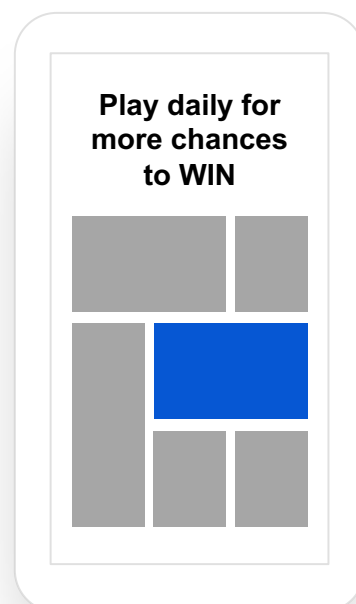
*Source: Global Web Index (GWI) Coronavirus Research Wave 3, April 2020

Benchmarks

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Reward and Retain

Loyalty drivers are personal. Only 48% of consumers have stayed loyal to their favorite brands during the pandemic (*Valassis*). Others will have tried different brands and may have switched to another brand entirely. Post-pandemic, consumers feel that the top driver of brand choice will be if it meets their needs (*GWJ*).

KEY STRATEGIES

FOCUS ON CONSUMER NEEDS

Once you've gotten to know your consumers again, commit to a passionate focus on meeting their needs. This is the time to review loyalty initiatives and ensure your value proposition is squarely focused on creating real relationships with consumers. Place heavy importance on marketing investments that lean toward known customer retention and well-qualified acquisition.

RE-EVALUATE LOYALTY

Evaluate your loyalty program value proposition and make changes to align with your customers' needs. Consider incorporating new, cost-effective ways to earn or redeem points, such as chances-to-win, that create additional value for members and strengthen your program's perceived payback.

ADD VALUE WITHOUT THE DISCOUNTS

Incorporate promotional overlays into your loyalty programming, focused on acquiring high-value customers and creating reasons for members to spend time with your brand between shopping experiences. And within or outside of loyalty programs, reward loyalty without adding another discount or coupon by creating a gift with purchase campaign that strengthens your brand's value proposition and is designed to keep consumers within your ecosystem.

Benchmarks

Rebate/Gift with Purchase programs can increase purchases and dollars spent.

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RE-EMERGENCE MUST-DOS

Grocery Industry POV



Identify and Activate

C-store and grocery workers became heroes during the pandemic, causing an outpour of customer and employer appreciation. Currently, 90% of consumers want companies to do everything they can to protect their employees, and 38% of people believe their future shopping habits will be influenced by how brands helped during COVID-19.* Integrating employee appreciation and charitable initiatives into your long-term marketing plans, including authentic ways to communicate results on a regular basis, will build trust and goodwill with employees and shoppers alike.

KEY STRATEGIES

GET TO KNOW THEM & BUILD TRUST

Acquire first party data and capture new consumers with a simple chance-to-win experience that includes additional elements of data collection, such as a quick survey or poll. Tie it together with a guaranteed charitable donation or a consumer/employee matching incentive to create goodwill and trust with new customers.

INSPIRE EMPLOYEE LOYALTY

Launch employee-only contests, giving associates the chance to win aspirational prizes for exemplifying outstanding customer service or team values.

PROVIDE A PLATFORM FOR RECOGNITION

Give consumers an opportunity to nominate their hometown heroes, local teachers, nurses, or non-profit organizations through a photo or essay contest where the winner receives groceries or other rewards.

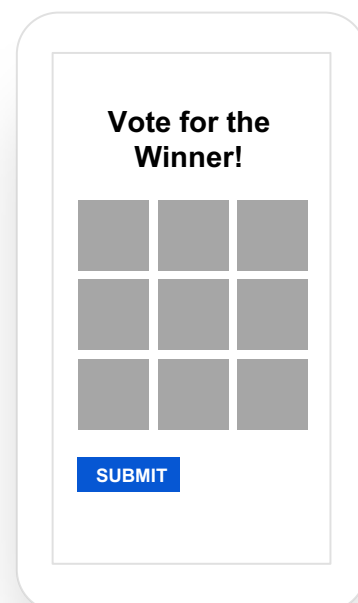
*Source: Global Web Index (GWI) Coronavirus Research Wave 3, April 2020

Benchmarks

Contests can also drive advocacy as participants refer friends to participate by voting for the winner.

20-35%
registration
conversion rate

35-55%
opt-in rate



Educate and Engage

It will take some time for consumers to adjust to life post-pandemic, and with that will grow a renewed importance on well-being, from a health, safety, and happiness perspective. Customers are more interested in products supporting their values and expect c-stores and grocers to continue to provide safe environments. COVID-19 caused consumers to focus on their health and wellness more than ever, and this will extend to the post-pandemic world. C-stores and grocers can play a significant role in supporting this lifestyle.

KEY STRATEGIES

MEET THEM WHERE THEY ARE

Let consumers know the steps you're taking to keep your shoppers safe and healthy, both in-store and out. Provide content and explore partnerships that can enhance their wellness initiatives through tools, resources, and products.

GIVE THEM A PLACE TO ENGAGE

Create an immersive hub experience that houses content-delivery game mechanics like trivia, and continuity drivers like purchase-based collect and win games, to drive multiple business objectives while providing a reason for your customers to connect between shopping trips.

ENCOURAGE WELLNESS THROUGH LOYALTY

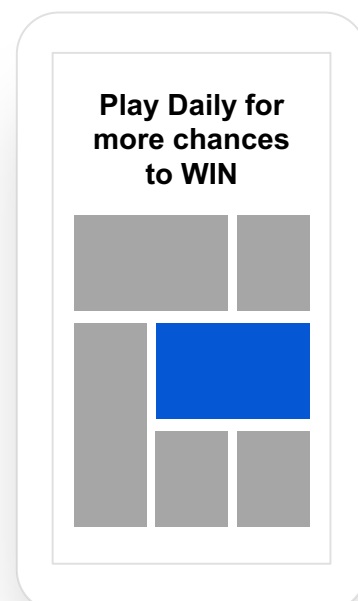
Create overlays in your loyalty program that reward customers with points, reward multipliers, or chance-to-win for purchasing products supporting a healthy lifestyle.

Benchmarks

Engagement hubs drive repeat visits and increase time spent with your brand.

12 mins
time spent

5-10
avg. logins
per registrant



Reward and Retain

COVID-19 propelled online grocery and delivery models to surge, with many customers trying it out for the first time. 18% of US consumers expect this behavior shift to persist post-pandemic as they evolve to favor frictionless ways to shop (GWI). Going forward, more customers will regularly take advantage of these services, and they will remain popular. Post-pandemic, consumers feel that the top driver of brand choice will be if it meets their needs (GWI), so retailers will need to examine their marketing strategies to optimize the experience of these digital shoppers.

KEY STRATEGIES

PERSONALIZE EXPERIENCES

Within digital properties, leverage provided information, purchase, and browsing data to create targeted offers, experiences, or surprise rewards based on where customers are in their journeys to build trust and create reliance over time.

ENCOURAGE HABIT-FORMING BEHAVIORS

Test habit-building tactics such as a punchcard, moving online shoppers closer to a guaranteed offer with each online order. Add emotional interventions to the digital shopping experience through surprise rewards, thank you messages, or engaging content.

OFFER AN IMMEDIATE REWARD

Reward loyalty without adding another discount or coupon by creating a gift with purchase campaign that strengthens your brand's value proposition and is designed to keep consumers within your ecosystem.

Benchmarks

Rebate/Gift with Purchase programs can increase purchases and dollars spent.

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RE-EMERGENCE MUST-DOS

QSR Industry POV



Identify and Activate

To-go is here to stay. New habits are being established and will inevitably affect long-term expectations for guests. 41% of restaurant owners believe that the biggest reopening challenge they face is a slow return of customers (James Beard Foundation). Post-pandemic, consumers will continue to expect carry out or delivery options from their favorite restaurants.

KEY STRATEGIES

GET TO KNOW THEM & BUILD TRUST

Acquire first-party data and capture new diners to your site or app with a simple chance-to-win experience that includes additional elements of data collection, such as a quick survey or poll. Tie it together with a guaranteed discount off a future dine-in or to-go order to create trust and reduce anxiety for new customers.

TURN PHYSICAL TO DIGITAL

People will remain hesitant to be in close proximity to others. Restaurants can help to ease stress, acquire new diners, and re-engage regulars by revisiting their dine-in, delivery, and pick-up offerings to create more seamless experiences for guests.

REWARD FOR PARTICIPATION

Collect additional profile information via a consumer survey deployed to understand what is most important to your guests and reward participation with a discount for dine-in or to-go, simultaneously showing gratitude and driving completion rates.

Benchmarks

Chances-to-win offer a way to collect key marketing data and learn more about consumers.

20-35%
registration
conversion rate

35-55%
opt-in rate

Welcome

Registration

First Name

Last Name

Email Address

MM MM YYYY

SUBMIT

Educate and Engage

Food safety and sustainability will continue to be a top concern, and diners will expect clear communication on these topics to feel safe and comfortable with restaurants. Consumers now show great preference for shops, restaurants, and brands that feel local (EY). In addition to being confident that it was prepared safely, it will be important for diners to know where their food came from, how it was produced, and where it was sourced.

KEY STRATEGIES

INSPIRE CONFIDENCE THROUGH COMMUNICATION

Consumers will expect cleaner and more ethical experiences from the restaurants they frequent. And since 52% of customers will be most influenced to buy from brands that best meet their needs post-pandemic (GWI), restaurants will have to support and re-establish consumer trust by implementing and communicating these additional measures.

PROVIDE A SAFE PLACE TO ENGAGE

Leverage tamper-evident QR code stickers to direct consumers to an immersive hub experience that uses a suite of proven game mechanics to drive engagement with your customers and reward them for spending time with your brand.

MAKE IT FUN

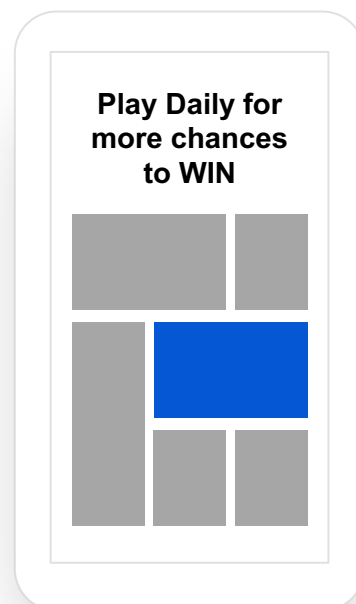
Instead of relying solely on email or social media messages to communicate your efforts, use fun, engaging content-delivery experiences like trivia games that educate and entertain, creating a reason for your customers to connect.

Benchmarks

Engagement hubs drive repeat visits and increase time spent with your brand.

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Reward and Retain

Economic hardship and budgeting will be a primary consideration factor behind consumers' choices both during and after the pandemic, with 32% of US consumers saying they will evaluate shopping choices based on cheaper prices (GWI). Consumers will be price-conscious and favor restaurants that reflect economic changes in their offerings.

KEY STRATEGIES

PROVIDE VALUE BEYOND TRANSACTIONS

As people begin to adapt to a new reality, they expect to find themselves dealing with new challenges due to personal or financial situations. 32% of consumers expect to eat out at restaurants less often, and 19% expect to eat at fast-food outlets less often (GWI). Restaurants should focus on highlighting value through menu options and showing appreciation to loyal guests.

FOCUS ON LOYALTY

Evaluate your loyalty program value proposition and make changes to align with your customers' needs. Consider incorporating new, cost-effective ways to earn or redeem points, such as chances-to-win, that create additional value for members and strengthen your program's perceived payback.

REWARD REPEAT VISITS

Drive order frequency and customer continuity with purchase-based punchcards tied to chance to win, discounts, and other incentives, or offer collect and win games to drive multiple business objectives while providing a reason for your customers to connect.

Benchmarks

Adding chance-to-win overlays to your loyalty program can boost engagement.

48% of consumers want to see chances-to-win large prizes as loyalty program features

- Merkle Loyalty Barometer Report, March 2020

Today's Prize



CLAIM

RE-EMERGENCE MUST-DOS

Regulated Industry POV



Identify and Activate

During state shutdowns, alcohol and tobacco purchases were on the rise. Jefferies Group calls big tobacco “recession-proof” and alcohol sales could increase as much as 20%. Content consumption is up dramatically as consumers have new time to engage. Now is the time to boost marketing databases and capture competitive of-age consumers. Use this window of volume and consumer downtime to create fun experiences that will captivate and grow your base, creating relationships that continue well beyond COVID-19.

KEY STRATEGIES

PROVIDE AN EASY WAY TO ENGAGE

Acquire first party data and capture new consumers with a simple chance-to-win experience that includes additional elements of data collection, such as a quick survey or poll.

VARY THE EXPERIENCE

Consider layering in content-delivery experiences like trivia games to drive multiple business objectives while providing a reason for your customers to connect.

Benchmarks

Chances-to-win offer a way to collect key marketing data and learn more about consumers.

20-35%
registration
conversion rate

35-55%
opt-in rate

Welcome

Registration

First Name

Last Name

Email Address

MM ▼ MM ▼ YYYY ▼

SUBMIT

Educate and Engage

More consumers than ever will be comfortable with mobile ordering and delivery post-COVID, meaning consumers will also have a higher expectation for brands to align with these services. Activations can be important tools for awareness of, and engagement with, any mobile ordering or delivery capabilities you may be enabling. When re-emergence begins, brands will want to balance awareness with action when looking to grow usage of these new channels and services.

KEY STRATEGIES

PROVIDE AN INCENTIVE FOR DELIVERY

Drive discovery by creating a gift with purchase to reward consumers who purchase through key delivery partners and keep them within your brand's ecosystem.

LEVERAGE SAMPLING TO INSPIRE LOYALTY

Activate a virtual sampling event with CRM users on social with a sweepstakes for those that join. A coupon offer can be sent to users ahead of time so they can pick up the product to participate.

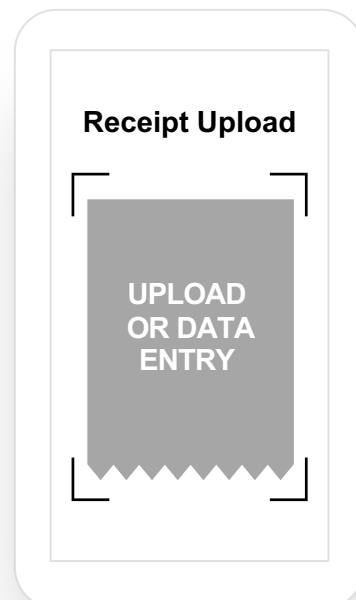
Benchmarks

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Reward and Retain

Consumers still expect virtual experiences. Demand for experience-based interactions continues to rise (even before COVID-19) and now, virtual interaction will be more mainstream than ever. There will be higher expectations for the quality and ingenuity of virtual experiences post-COVID, and consumers will be more open to those types of brand interactions. Because the virtual experience economy is motivated by consumers' desire for status, take the opportunity to remind your customers why you are worth paying for through virtual brand experiences, whether it's directly with the brand or helping to connect like-minded fans.

KEY STRATEGIES

ENCOURAGE REPEAT BEHAVIORS

Drive order frequency and customer continuity with purchase-based punchcards tied to chance to win, discounts, and other incentives, or offer collect and win games to drive multiple business objectives while providing a reason for your customers to connect.

BRING YOUR PRODUCT TO LIFE THROUGH AR

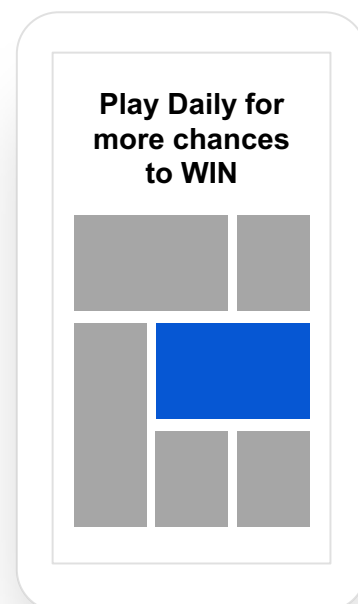
Create a fun, virtual environment through packaging-activated AR experiences to bring the product to life and create moments that can be shared on social.

Benchmarks

Engagement hubs drive repeat visits and increase time spent with your brand.

12 mins
time spent

5-10
avg. logins
per registrant



CONCLUSION

Consumer spending behaviors, local behaviors, and fitness behaviors have changed throughout the pandemic and these changes will stick. No matter your industry, the next six months are a crucial time to remind consumers why they should choose your brand, so understanding how to engage with these consumers is critical.

Our three consumer activation must-dos are Identify and Activate, Educate and Engage, and Reward and Retain. Prioritize these research-backed strategies to stay connected with your customers through what's coming next.

[Contact us to learn more](#)



Meredith Hillman
VP, Client Leadership,
Business Development
mhillman@merkleinc.com



About Merkle

Merkle is a leading data-driven, technology-enabled, global performance marketing agency that specializes in the delivery of unique, personalized customer experiences across platforms and devices. For more than 30 years, Fortune 1000 companies and leading nonprofit organizations have partnered with Merkle to maximize the value of their customer portfolios. The agency's heritage in data, technology, and analytics forms the foundation for its unmatched skills in understanding consumer insights that drive people-based marketing strategies. Its combined strengths in performance media, customer experience, customer relationship management, loyalty, and enterprise marketing technology drive improved marketing results and competitive advantage. With 9,400+ employees, Merkle is headquartered in Columbia, Maryland, with 50+ additional offices throughout the US, EMEA, and APAC. In 2016, the agency joined the Dentsu Aegis Network. For more information, contact Merkle at 1-877-9-Merkle or visit www.merkleinc.com.

About Merkle Promotion & Loyalty Solutions

We were pioneers in the field of digital promotions when we were founded in 1999 as ePrize. Through strategic acquisitions, continuous innovation, and rebranding efforts over the next two decades, we expanded our consumer engagement and loyalty capabilities to become a trusted partner to today's top brands looking to engage and motivate their customers. Upon joining the Merkle family in 2018, together we now lead the industry in people-based marketing, enabling expanded capability in promotional and loyalty solutions, CRM, digital customer experience, and strategy as part of the Dentsu Aegis Network. Below are a handful of brands representing our many P&LS client partners across industry verticals.

